

# **Boon Township**

Wexford County, Michigan

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Audited Financial Statements

March 31, 2006

Jay Thiebaut, P.C.  
Certified Public Accountant  
Cadillac, Michigan

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name BOON TOWNSHIP	County WEXFORD
Fiscal Year End MARCH 31, 2006	Opinion Date JUNE 13, 2006	Date Audit Report Submitted to State JULY 19, 2006	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).


YES  
NO

**Check each applicable box below.** (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) JAY THIEBAUT PC CPA		Telephone Number 231-775-0174		
Street Address 222 HOWARD ST, PO BOX 807		City CADILLAC	State MI	Zip 49601
Authorizing CPA Signature 		Printed Name JAY THIEBAUT		License Number 8987

**Boon Township**  
Wexford County, Michigan  
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**Boon Township**  
Wexford County, Michigan  
Board Members  
March 31, 2006

Supervisor

Clerk

Treasurer

Trustee

Trustee

Stephen Cunningham

Alice Finnerty

Jacqueline Wills

Richard E. Liptak, Jr.

Walter Renshaw

**Jay Thiebaut, P.C.**

Certified Public Accountant  
P.O. Box 807  
Cadillac, Michigan 49601  
Telephone 231-775-0174

**INDEPENDENT AUDITOR'S REPORT**

To the Township Board  
Boon Township  
Wexford County, Michigan

I have audited the accompanying financial statements of the governmental activities and each major fund of Boon Township as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Boon Township, as of March 31, 2006 and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the Township has implemented a new reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial – and Management's Discussion and Analysis – For State and Local Governments*, and a Governmental Accounting Standards Board Statement No. 38, *Certain Financial Statement Note Disclosures*, as of April 1, 2004.

The budgetary comparison information identified in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United State of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Township Board  
Boon Township  
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The Township has not presented the Management's Discussion and Analysis information that accounting principles generally accepted in the United States of America have determined is necessary to supplement, although not required to be part of, the basic financial statements.

A handwritten signature in black ink, appearing to read "Jay Thiebaut". The signature is stylized with a large initial "J" and a cursive "Thiebaut".

Jay Thiebaut P.C.  
Certified Public Accountant  
June 13, 2006

## **Basic Financial Statements**

# Boon Township

## Statement of Net Assets March 31, 2006

	<u>Govermental Activities</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 265,851
Receivables	9,881
Capital assets, net	<u>67,647</u>
<b>Total assets</b>	<b><u>\$ 343,379</u></b>
<b>Liabilities</b>	
Accounts payable	<u>\$ 629</u>
<b>Net assets</b>	
Investment in capital assets, net	67,647
Unrestricted	<u>275,103</u>
<b>Total net assets</b>	<b><u>342,750</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 343,379</u></b>

See notes to financial statements.



# Boon Township

## Statement of Activities Year Ended March 31, 2006

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Assets
<b>Governmental activities</b>			
General government	\$ 50,810	\$ 8,052	\$ 42,758
Public safety	20,005	-	20,005
<b>Total governmental activities</b>	<b>\$ 70,815</b>	<b>\$ 8,052</b>	<b>62,763</b>
<b>General revenues</b>			
Taxes			58,165
State sources			38,937
Interest			6,498
Other			650
<b>Total general revenues</b>			<b>104,250</b>
<b>Changes in net assets</b>			<b>41,487</b>
<b>Net assets-beginning of year</b>			<b>301,263</b>
<b>Net assets-end of year</b>			<b>\$ 342,750</b>

See notes to financial statements.

# Boon Township

## Balance Sheet Governmental Funds March 31, 2006

	<u>Special Revenue Funds</u>			Total
	<u>General</u>	<u>Fire</u>	<u>Liquor</u>	<u>Governmental</u>
<b>Assets</b>				
Cash	\$ 147,849	\$ 56,398	\$ 639	\$ 204,886
Investments	-	60,965	-	60,965
Taxes receivable	2,577	5,890	-	8,467
Due from other funds	<u>1,414</u>	<u>-</u>	<u>-</u>	<u>1,414</u>
<b>Total assets</b>	<b><u>\$ 151,840</u></b>	<b><u>\$ 123,253</u></b>	<b><u>\$ 639</u></b>	<b><u>\$ 275,732</u></b>
<b>Liabilities</b>				
Accounts payable	\$ 629	\$ -	\$ -	\$ 629
<b>Fund balances</b>				
Unreserved and undesignated	<u>151,211</u>	<u>123,253</u>	<u>639</u>	<u>275,103</u>
<b>Total liabilities and fund balances</b>	<b><u>\$ 151,840</u></b>	<b><u>\$ 123,253</u></b>	<b><u>\$ 639</u></b>	<b><u>\$ 275,732</u></b>

See notes to financial statements.

## Boon Township

### Reconciliation of the Balance Sheet of Governmental Funds to Net Assets of Governmental Activities March 31, 2006

<b>Total fund balances for governmental funds</b>	<b>\$ 275,103</b>
Total net assets for governmentntal activities in the statement of net assets is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	<u>67,647</u>
<b>Net assets of governmental funds</b>	<b><u>\$ 342,750</u></b>

See notes to financial statements.

# Boon Township

## Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds Year Ended March 31, 2006

	<u>Special Revenue Funds</u>			Total
	<u>General</u>	<u>Fire</u>	<u>Liquor</u>	<u>Governmental</u>
<b>Revenues</b>				
Taxes	\$ 14,546	\$ 43,619	\$ -	\$ 58,165
State sources	38,469	-	468	38,937
Charges for services	8,052	-	-	8,052
Interest	3,721	2,777	-	6,498
Other	2,649	650	-	3,299
<b>Total revenues</b>	<b><u>67,437</u></b>	<b><u>47,046</u></b>	<b><u>468</u></b>	<b><u>114,951</u></b>
<b>Expenditures</b>				
General government				
Board	16,237	-	-	16,237
Supervisor	5,250	-	-	5,250
Assessor	6,503	-	-	6,503
Clerk	4,283	-	-	4,283
Board of review	818	-	-	818
Treasurer	8,349	-	-	8,349
Elections	489	-	-	489
Buildings and grounds	3,265	-	-	3,265
Cemetery	9,926	-	-	9,926
Public safety	-	16,504	-	16,504
Public works	866	-	595	1,461
<b>Total expenditures</b>	<b><u>55,986</u></b>	<b><u>16,504</u></b>	<b><u>595</u></b>	<b><u>73,085</u></b>
<b>Net change in fund balance</b>	<b>11,451</b>	<b>30,542</b>	<b>(127)</b>	<b>41,866</b>
Fund balance-beginning of year	<u>139,760</u>	<u>92,711</u>	<u>766</u>	<u>233,237</u>
<b>Fund balance-end of year</b>	<b><u>\$ 151,211</u></b>	<b><u>\$ 123,253</u></b>	<b><u>\$ 639</u></b>	<b><u>\$ 275,103</u></b>

See notes to financial statements.

## Boon Township

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended March 31, 2006

**Net changes in fund balances-total governmental funds** **\$ 41,866**

Total change in net assets reported for government activities in the statement  
of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of  
activities the cost of those assets is allocated over their estimated useful lives and  
reported as depreciation expense.

Capital outlay

5,257

Depreciation expense

(5,636)

**Changes in net assets of governmental activities** **\$ 41,487**

## Boon Township

### Fiduciary Funds Statement of Net Assets March 31, 2006

	<u>Agency Funds</u>
<b>Assets</b>	
Cash and cash equivalents	<u>\$ 1,414</u>
<b>Liabilities</b>	
Due to other funds	<u>\$ 1,414</u>

See notes to financial statements.

**Boon Township**  
Wexford County, Michigan  
Notes to Financial Statements  
March 31, 2006

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Boon Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. The following is a summary of the significant policies used by the Township:

**Reporting Entity**

Boon Township ("the Township") is a municipal entity governed by an elected Board. The Township, for financial purposes, includes all of the funds relevant to the operations of Boon Township. The financial statements herein do not include agencies which have been formed under applicable State laws or separate and distinct units of government apart from Boon Township.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds (when applicable) even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing related of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Boon Township**  
Wexford County, Michigan  
Notes to Financial Statements  
March 31, 2006

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as well expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Township reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Fund accounts for revenue and expenditures for fire protection services provided by the township.

The Liquor Fund accounts for revenue and expenditures for liquor law enforcement.

The Township also has a fiduciary fund. The Current Tax Collection Fund accounts for property taxes and other deposits collected on behalf of other units and individuals. Fiduciary funds are custodial in nature and are not included in the government-wide financial statements.

Private-sector standards of accounting issued prior to December 1, 1989 are generally followed in the government-wide financial statements to the extent that those standards do not conflict with the standards of the Government Accounting Standards Board.



**Boon Township**  
Wexford County, Michigan  
Notes to Financial Statements  
March 31, 2006

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

As a general rule the effect of inter fund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are charges between the government's tax collection function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues for the functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenue includes all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted assets first, then unrestricted resources as they are needed.

**Assets, liabilities, and net assets or equity**

Deposits and investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, short-term investments with a maturity of three months or less when acquired. Deposits are recorded at cost.

Receivables and payables – In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and any business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of allowance for uncollectible amounts. Property taxes are levied on December 1 on property values assessed as of December 31 of the prior year. Taxes are due on or before March 1, after which the taxes are considered delinquent and penalties and interest may be charged. All delinquent real property taxes are purchased by the county tax revolving fund so the Township collects 100% of the real property tax levy. Delinquent personal property tax is not material is recorded as collected.

Capital assets – Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated cost, if purchased or constructed. The reported value does not include normal maintenance and repairs that do not increase the capacity of or extend

**Boon Township**  
Wexford County, Michigan  
Notes to Financial Statements  
March 31, 2006

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

the useful life of the asset. In the case of donated assets, the government values the assets at estimated fair value of the assets as of the date of the donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings	40 years
Equipment	5 to 10 years

Fund equity – In the fund financial statements, governmental funds report reservations of fund balance (when applicable) for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purposes. Designations of fund balance represent management plans that are subject to change.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosure of contingent assets and liabilities at the date of the reporting period. Actual results could differ from those estimates.

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary information**

The Township follows these budgeting procedures that are in accordance with Michigan Statutes. Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles.

1. Budgets are adopted for the General Fund and all Special Revenue Funds.
2. Budget appropriations are adopted before the beginning of each fiscal year.
3. Both budgeted and actual financial results cannot incur a deficit (including an available un-reserved surplus).
4. Amendments to the budget are made prior to over expenditures and before the fiscal year end.
5. Budgetary control is exercised at the activity level. The clerk is authorized to transfer budgeted amounts between line items within an activity; however, any revisions that alter the total expenditures of an activity require the approval of the Township board.

The Township does not use encumbrances. Budget appropriations are considered to be spent when goods are received or services rendered.

**Boon Township**  
Wexford County, Michigan  
Notes to Financial Statements  
March 31, 2006

**NOTE 3 – DEPOSITS AND INVESTMENTS**

Michigan Compiled Laws, Section 129.91 authorizes the Township to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office located in Michigan. Local units are allowed to invest in bonds, securities and other obligations of the United States, or any agency or instrumentality of the United States. Also, United States government or federal agency obligations; reverse repurchase agreements, bankers acceptance of United States Banks, commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase, obligations of the State of Michigan or any of its political subdivisions, which are rated as investment grade, and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Township Board has authorized cash and cash equivalents to be in federally insured depository institutions. These cash accounts can be checking, savings, money markets, or certificates of deposit with original maturities of three months or less. Additionally, the Township Board specifically authorizes each depository institution.

At March 31, 2006, all cash and cash equivalents were on deposit with federally insured depository institutions. The bank balance was \$265,851 as of March 31, 2006, \$101,414 of which was covered by federal depository insurance and \$164,437 was uninsured and unsecured.

**NOTE 4 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS**

Michigan Statutes provides that a Township shall not incur expenditures in excess of the amount appropriated.

The unfavorable variances as shown on the Budgetary Comparison Schedules for the General Fund, Fire Fund, and Liquor Fund are not considered material violations as described in Michigan Statute due to the conditions and events that gave rise to these variances and the adequacy of the budgetary system.

**NOTE 5 – RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended March 31, 2006, the Township carried commercial insurance to cover all risks of losses. The Township had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

**Boon Township**  
Wexford County, Michigan  
Notes to Financial Statements  
March 31, 2006

**NOTE 6 – CAPITAL ASSETS**

Capital assets activity of the primary government for the current year is as follows:

	Balance 04-01-05	Additions	Reductions	Balance 03-31-06
Land	\$ 12,800	\$ -	\$ -	\$ 12,800
Buildings and improvements	20,851	-	-	20,851
Furniture and office equipment	11,351	3,682	-	15,033
Fire equipment & trucks	69,638	1,575	-	71,213
Total depreciable assets	114,640	5,257	-	119,897
Less accumulated depreciation	(46,614)	(5,636)	-	(52,250)
Capital assets, net	<u>\$ 68,026</u>	<u>\$ (379)</u>	<u>\$ -</u>	<u>\$ 67,647</u>

Depreciation Expense - Governmental Activities:

General Government	\$ 2,022
Public Safety	3,614
Total depreciation expense	<u>\$ 5,636</u>

**NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES**

Balances at March 31, 2006, were:

	Due From Other Funds	Due to Other Funds
General fund		
Tax collection fund	\$ 1,414	\$ -
Tax collection fund		
General fund	-	1,414
Totals	<u>\$ 1,414</u>	<u>\$ 1,414</u>

## **Required Supplementary Information**

# Boon Township

## Budgetary Comparison Schedule

### General Fund

Year Ended March 31, 2006

	Budgeted Amounts		Actual	Variance with Final Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 13,000	\$ 13,000	14,546	\$ 1,546
State sources	35,000	35,000	38,469	3,469
Charges for services	7,138	7,138	8,052	914
Interest	465	465	3,721	3,256
Other	3,200	3,200	2,649	(551)
<b>Total revenues</b>	<b>58,803</b>	<b>58,803</b>	<b>67,437</b>	<b>8,634</b>
<b>Expenditures</b>				
General government				
Board	16,056	16,056	16,237	(181)
Supervisor	3,700	3,700	5,250	(1,550)
Assessor	8,400	8,400	6,503	1,897
Clerk	5,047	5,047	4,283	764
Board of review	1,000	1,000	818	182
Treasurer	7,600	7,600	8,349	(749)
Elections	1,000	1,000	489	511
Building and grounds	10,000	10,000	3,265	6,735
Cemetery	9,000	9,000	9,926	(926)
Public works	700	700	866	(166)
<b>Total expenditures</b>	<b>62,503</b>	<b>62,503</b>	<b>55,986</b>	<b>6,517</b>
<b>Excess of revenues and other financing sources over (under) expenditures and other uses</b>	<b>\$ (3,700)</b>	<b>\$ (3,700)</b>	<b>11,451</b>	<b>\$ 15,151</b>
Fund balance-beginning of year			139,760	
<b>Fund balance-end of year</b>			<b>\$ 151,211</b>	

## Boon Township

### Budgetary Comparison Schedule Fire Fund Year Ended March 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
State sources	\$ 39,000	\$ 39,000	\$ 43,619	\$ 4,619
Interest	1,232	1,232	2,777	1,545
Other	-	-	650	650
<b>Total revenues</b>	<u>40,232</u>	<u>40,232</u>	<u>47,046</u>	<u>6,164</u>
<b>Expenditures</b>				
Public safety	<u>16,500</u>	<u>16,500</u>	<u>16,504</u>	<u>(4)</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other uses</b>	<u>\$ 23,732</u>	<u>\$ 23,732</u>	<u>30,542</u>	<u>\$ 6,160</u>
Fund balance-beginning of year			<u>92,711</u>	
<b>Fund balance-end of year</b>			<u>\$ 123,253</u>	

# Boon Township

## Budgetary Comparison Schedule Liquor Fund Year Ended March 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
State sources	\$ 468	\$ 468	\$ 468	\$ -
<b>Expenditures</b>				
Public safety	468	468	595	(127)
<b>Excess of revenues over (under) expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	(127)	<u>\$ (127)</u>
Fund balance-beginning of year			766	
<b>Fund balance-end of year</b>			<u>\$ 639</u>	



**JAY THIEBAUT, P.C.**

CERTIFIED PUBLIC ACCOUNTANT

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To the Members of the Township Board  
Boon Township  
Wexford County, Michigan

In planning and performing my audit of the statements of Boon Township for the year ended March 31, 2006, I considered its internal control in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on internal control. However, I noted certain matters involving the internal control and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgement, could adversely affect Boon Township's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components do not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, no material weaknesses were noted.

This report is intended solely for the information and use of the Township Board, management and others within the administration, and Department of Treasury, Local Audit Division of the State of Michigan and is not intended to be and should not be used by anyone other than these specified parties.



Jay Thiebaut, P.C.

Certified Public Accountant

June 13, 2006